

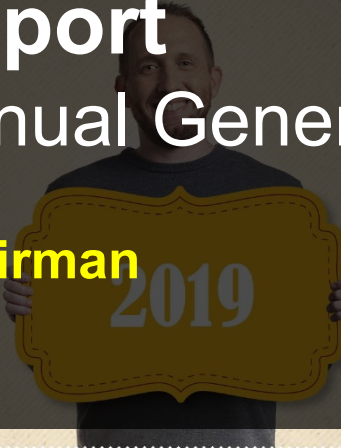


SunRice Report

RGAs 2019 Annual General Meeting

Laurie Arthur, Chairman

2 August 2019



Important notice and disclaimer

This presentation is for information purposes only. This information is given in summary form and does not purport to be complete. It should be read in conjunction with the most recent financial report and the Information Memorandum. The content of this presentation is provided as at the date of this presentation (unless otherwise stated). Reliance should not be placed on information or opinions contained in this presentation as advice to investors or potential investors and, subject to any legal obligation to do so Ricegrowers Limited (trading as **SunRice**) does not have any obligation to correct or update content.

This presentation does not purport to contain all information necessary to an investment decision, is not intended as investment or financial advice, is not a recommendation, offer or invitation by any person or to any person to sell or purchase securities in SunRice in any jurisdiction, and must not be relied upon as such. Any decision to buy or sell securities or other products should be made only after seeking appropriate financial advice.

This presentation is of a general nature and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor.

Any investment decision should be made solely on the basis of your own enquiries. Before making an investment in SunRice, you should consider whether such an investment is appropriate to your particular investment objectives, financial situation or needs and obtain independent advice from a qualified financial adviser.

The distribution of this presentation including in jurisdictions outside Australia, may be restricted by law.

Any person who receives this presentation must seek advice on and observe any such restrictions.

To the maximum extent permitted by law, SunRice, its related corporations, directors, officers, employees or agents disclaim a liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement and whether that liability is direct, indirect or consequential) for any loss arising from this presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this (whether foreseeable or not).

All amounts are in Australian Dollars, unless otherwise stated. Certain statements in this presentation (including those that contain terms such as "believe", "estimate", "plan", "project", "target", "anticipate", "expect", "intend", "likely", "may", "will", "could" or "should") relate to the future, including forward looking statements relating to SunRice's financial position and strategy. Whilst the forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed, these forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of SunRice to be materially different from the future results, performance or achievements expressed or implied by such statements. No representation or warranty, express or implied, is made as to the fairness, accuracy, reliability, completeness or correctness of information contained in this presentation, including the accuracy, likelihood of achievement or reasonableness, fairness, accuracy, reliability, completeness or correctness of any forward-looking statements. There can be no assurance or guarantee that these forward-looking statements will be realised.

This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of SunRice is available on our website:
<https://investors.sunrice.com.au/investors/>.

About SunRice's structure

The structure of SunRice contains non-standard elements including its dual class share structure comprising A Class Shares and B Class Shares.

A Class Shares confer on their holders the right to vote at general meetings but no right to dividends. A Class Shares are not quoted on ASX and may only be held by Active Growers. The right to vote is based on one member, one vote and no person may hold more than 5 A Class Shares. In practical terms the voting rights held by A Class Shareholders give those shareholders the right to control the election of directors and any changes to SunRice's constitution.

B Class Shares are quoted on ASX and confer on their holders the right to receive dividends, as determined by the directors from time to time. Holders of B Class Shares do not have the right to vote at general meetings of SunRice and may only vote on proposals involving a variation to their class rights or if required for the purposes of the ASX Listing Rules. This means B Class Shareholders have no right to vote on the election of directors of SunRice. No person may hold more than 10% of the total number of B Class Shares on issue.

For more details of the non-standard elements of SunRice's structure see:
<https://corporate.sunrice.com.au/investors/>.





Agenda

- SunRice update
- ASX listing
- C19 update
- Australian water reform
- Board elections
- Questions



FY19: SunRice delivers through the cycle

FY19 has been a significant year for SunRice with NPAT delivered in line with guidance, despite FX challenges – key take-outs for the business include:

REVENUE	\$1.2 billion	▲	1.3% increase
NET PROFIT AFTER TAX	\$32.8 million	▼	27% decrease
DIVIDEND PER B CLASS SHARE	33.0 cents	—	Steady <i>Represented payout ratio of 61%</i>
PADDY PRICE	\$411.19 Medium Grain (Reiziq)	▲	8.6% increase



Results driven by a combination of factors

- Strong international prices for SunRice branded products and new affordable sources of international supply utilised
- Despite increased revenue, the Group's profitability was significantly impacted by ~\$15 million in foreign exchange movements
- Continued implementation of the Group's 2022 Growth Strategy, including:
 - Vietnam operations established with Mill acquisition and development, cementing this important supply chain
 - Continued growth in diversified earnings from CopRice and Riviana (including Roza's Gourmet acquisition)
 - New sales channels and product offerings have strengthened the company's position as a differentiated international FMCG company



Record C18 Pool price

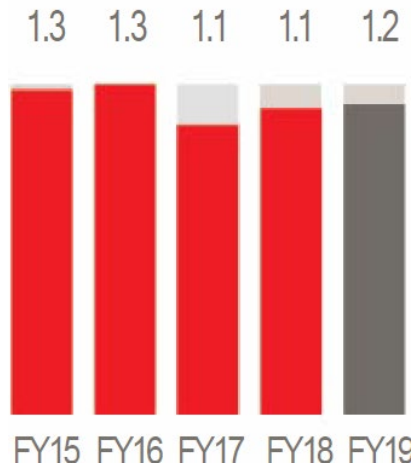
- Record C18 pool price of \$411.19 per tonne* driven by strong pricing and the placement of SunRice products into higher returning markets internationally
- Demonstrates the strength of SunRice's ability to market Australian grown rice and reward growers
- This was achieved despite the lower C18 crop and reduced production volumes due to poor C18 paddy quality

(* The previous highest pool price was \$403/tonne paid in C15. This does not include years when SunRice has paid a guaranteed fixed price such as in C16 when \$415/tonne was paid.)

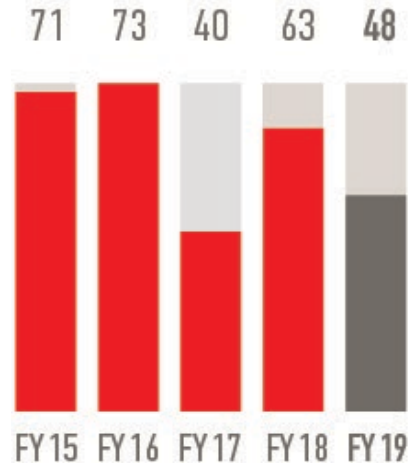


Solid five-year performance

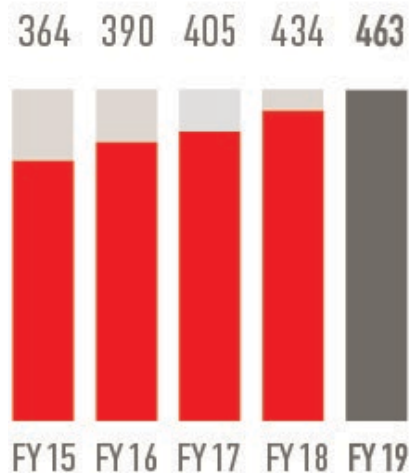
Group Revenue (A\$BN)



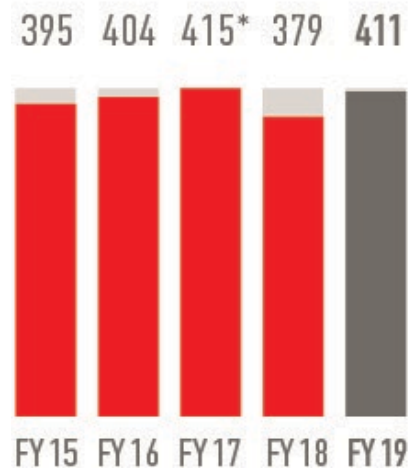
NPBT (A\$M)



Net Assets (A\$M)



**Paddy Prices
(AUD per tonne, Reiziq)**



* Fixed price contract



Listing for future growth

- ASX listing in April 2019 was an important milestone in the evolution of SunRice
- In addition to the potential to increase liquidity for shareholders, an ASX listing provides SunRice with greater access to capital to fund future growth
- With current shareholders predominantly comprised of growers, SunRice is now focused on engaging new groups, including both institutional and retail investors to further strengthen the Company's share register



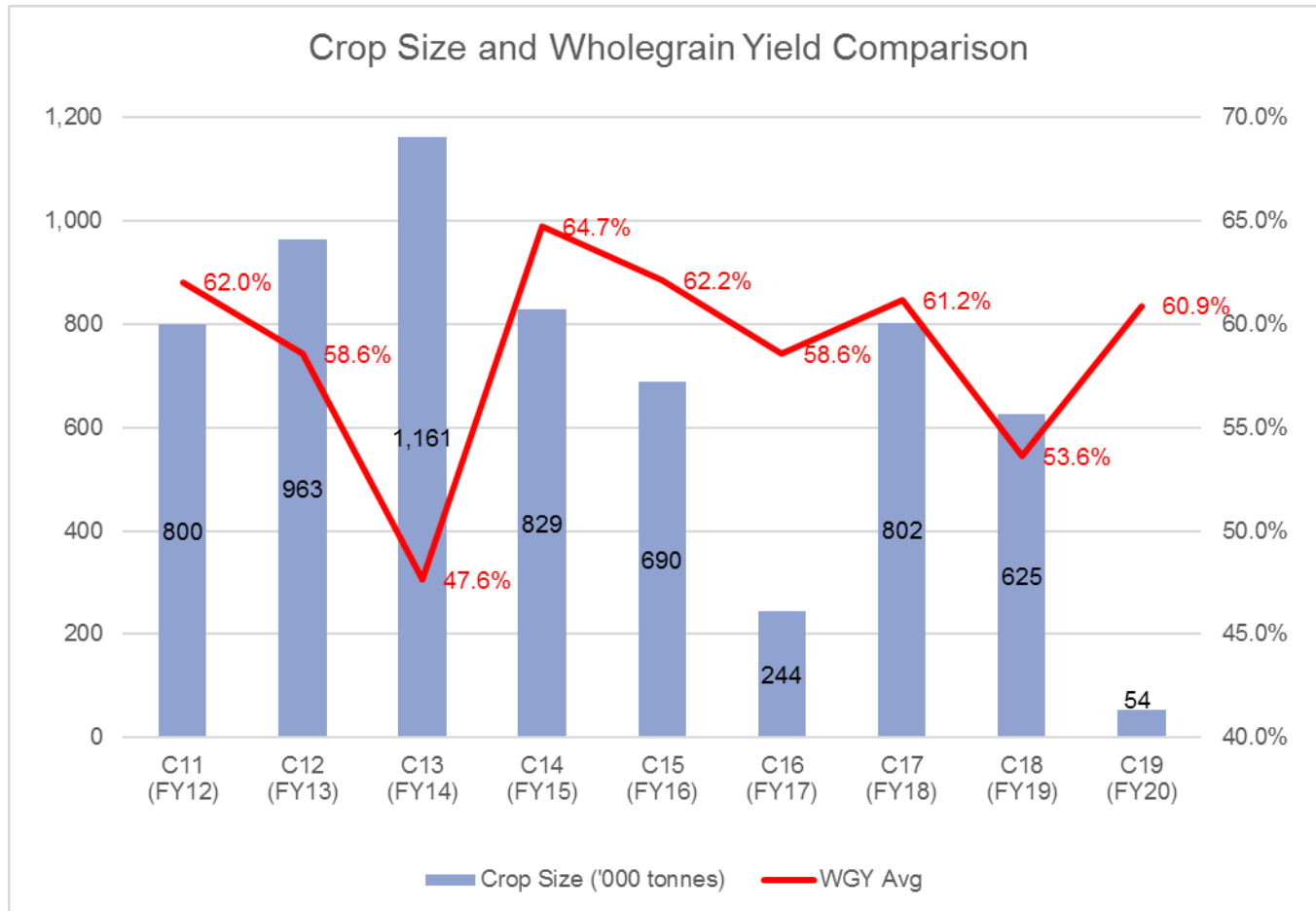
C19 Moisture results

- Average moisture 18.9%, which was higher than C18 and on par with historical levels as growers were more vigilant with start dates after the hot conditions experienced in 2018
- Growers were encouraged to bring in samples and discuss harvest planning with SunRice, giving them the confidence to start harvesting earlier
- Moisture tolerance was possible once certainty with weather and grower intentions was known



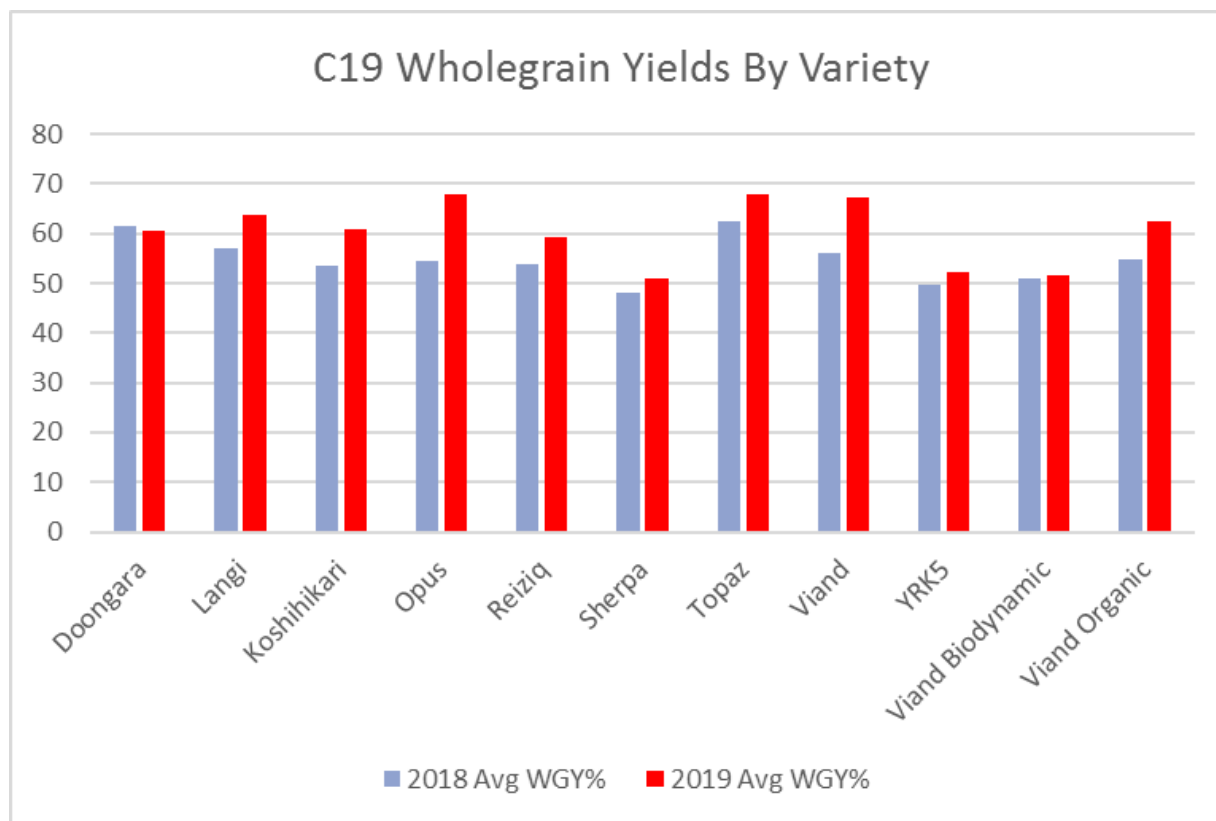
C19 Quality appraisals

- Excellent wholegrain yields achieved
- 7% up on C18 as we didn't have the extreme heat at flowering and during harvest



C19 Wholegrain yields by variety

- Improvements across almost all varieties
- Opus and Viand the standouts with 13.5% and 11.2% WGY increases respectively
- Viand Organic, Langi, Koshi and Reiziq all above 5% increases



C19 harvest summary and final payment

- 54,500mt dry delivered, last year, 623,000mt delivered
- 96 growers across 100 farms, last year, 627 growers
- The scheduled C19 September payment will be brought forward to mid-August
- This year's crop will deliver \$28m*, last year's crop \$256m**, into the Riverina community



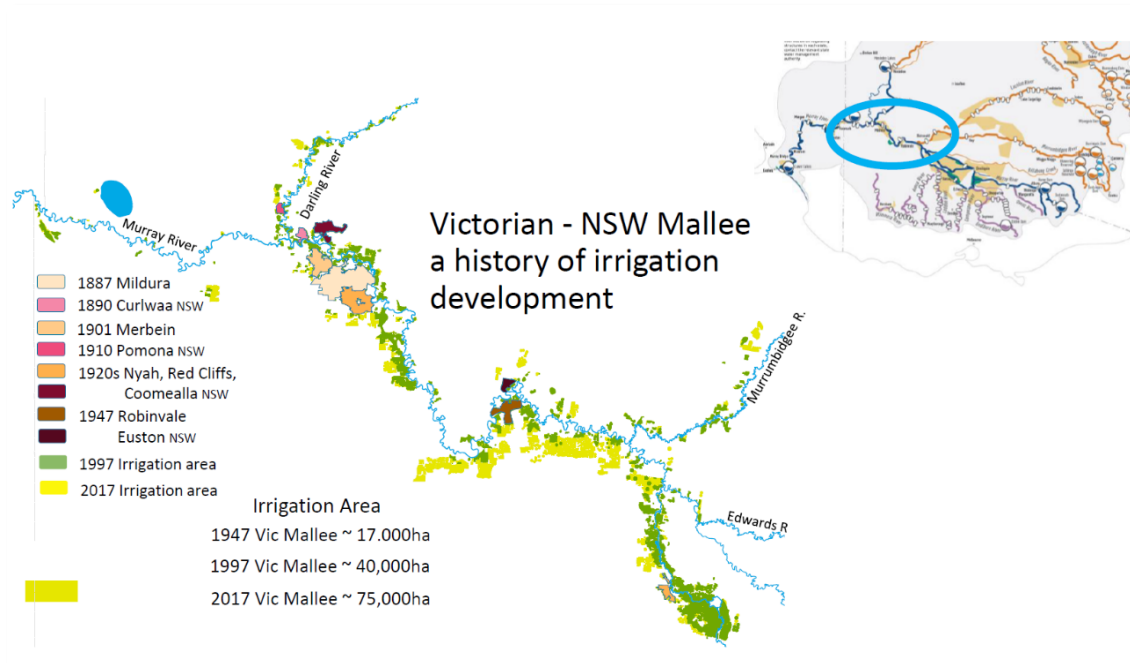
Why such a small C19 crop?

- Small C19 crop an example of a poor year of run-off from the Great Dividing Range
 - 0% and 7% General Security Entitlements in the Murray and Murrumbidgee Valleys respectively
- Compounded by temporary water prices rising from around \$250/ML to \$650/ML
- Is this just the market at work?
- When you look deeply this is more than scarcity pricing
- It shows the National Water Initiative is outdated



The National Water Initiative

- One of the key objectives of the NWI was to ensure the security of water access entitlements, including General Security
- But over the last 10 years General Security has been significantly eroded by:
 - Vast environmental flows from the upper to lower reaches of the Murray Darling Basin
 - Dramatic increase in horticulture plantings in the lower reaches
 - The impact of carry-over provisions on General Security allocation build
- When the NWI was adopted in 2004 these impacts were not envisaged and COAG has an obligation to address this erosion of security



Key issues with the NWI

- The NWI has failed to recognise the inherent variability of water flows in the MDB
- Our rivers have the highest variability of flow in the world:
 - The ratio of minimum to maximum annual flow in the Amazon River is a steady 1 to 1.3
 - The Murray's is an alarming 1 to 15
 - And the Darling is a startling 1 to 4,700
- Relying on the water market to optimise outcomes from higher value water use provided by permanent plantings will not work in the long term because:
 - They need water every year; and
 - High commodity prices



A call to urgently revamp the NWI

- The next extended drought sequence will see many horticulture plantings abandoned
- But conversion of land continues unabated
- Unless action is taken now, the casualties will be investors, rural communities and annual irrigation industries
- The rice industry is not seeking special treatment
- But COAG must urgently review the NWI to protect our communities, our property rights and the future of annual irrigation industries



SunRice Board Elections

- I would like to thank Mark Robertson and Glen Andreazza, who are retiring, for their valuable contributions to SunRice
- Four Directors who are A Class Shareholders are to be elected from a field of seven:



Myself



Warren Lang



Rob Massina



Jeremy Morton



Angela Urquhart



Leigh Vial



Julian Zanatta

- Our three continuing elected members of the Rice Marketing Board:
 - John Bradford, Gillian Kirkup and Ian Mason
- And four Independents who are appointed as a Director (one of whom may be an employee of the company):
 - Ian Glasson, Luisa Catanzaro, Andy Crane and Rob Gordon



Optimism for our future as rice growers

- Like all Australian FMCG businesses with a strong agricultural foundation we have our challenges, including drought
- However, we also have some very significant advantages, including:
 - A strong branded presence in premium world markets
 - The ability to source rice from anywhere on the globe
- The Australian rice industry should be held out as a model for the rest of Australian agribusiness:
 - We are innovative, sustainable and research driven
 - We undertake value-adding to our rice through processing and packing facilities in regional areas, providing employment
 - We have a strong global presence, while remaining Australian owned
- We should be proud of our Australian rice industry and its future, despite the challenges we face



Questions

